

## Fiscal Estimate - 2009 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

<b>LRB Number</b> <b>09-4545/2</b>	<b>Introduction Number</b> <b>SB-664</b>		
<b>Description</b> Financial assistance under the Clean Water Fund Program and the Safe Drinking Water Loan Program			
<b>Fiscal Effect</b>  <b>State:</b> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input checked="" type="checkbox"/> No State Fiscal Effect  <input type="checkbox"/> Indeterminate                      <input type="checkbox"/> Increase Existing Appropriations                      <input type="checkbox"/> Decrease Existing Appropriations                      <input type="checkbox"/> Create New Appropriations                 </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Existing Revenues  <input type="checkbox"/> Decrease Existing Revenues                 </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget                      <input type="checkbox"/> Yes                      <input type="checkbox"/> No  <input type="checkbox"/> Decrease Costs                 </div> </div> <b>Local:</b> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input checked="" type="checkbox"/> No Local Government Costs  <input type="checkbox"/> Indeterminate                      1. <input type="checkbox"/> Increase Costs                      3. <input type="checkbox"/> Increase Revenue                          <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      2. <input type="checkbox"/> Decrease Costs                      4. <input type="checkbox"/> Decrease Revenue                          <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                      <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                 </div> <div style="width: 33%;">                     5. Types of Local Government Units Affected  <input type="checkbox"/> Towns                      <input type="checkbox"/> Village                      <input type="checkbox"/> Cities  <input type="checkbox"/> Counties                      <input type="checkbox"/> Others  <input type="checkbox"/> School Districts                      <input type="checkbox"/> WTCS Districts                 </div> </div>			
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> GPR   <input type="checkbox"/> FED   <input type="checkbox"/> PRO   <input type="checkbox"/> PRS   <input type="checkbox"/> SEG   <input type="checkbox"/> SEGS</span> </div>			
<b>Agency/Prepared By</b> DNR/ Joe Polasek (608) 266-2794	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 5px;"><b>Authorized Signature</b> Joe Polasek (608) 266-2794</td> <td style="width: 30%; padding: 5px;"><b>Date</b> 4/13/2010</td> </tr> </table>	<b>Authorized Signature</b> Joe Polasek (608) 266-2794	<b>Date</b> 4/13/2010
<b>Authorized Signature</b> Joe Polasek (608) 266-2794	<b>Date</b> 4/13/2010		

## Fiscal Estimate Narratives

DNR 4/13/2010

LRB Number	09-4545/2	Introduction Number	SB-664	Estimate Type	Original
<b>Description</b>					
Financial assistance under the Clean Water Fund Program and the Safe Drinking Water Loan Program					

### Assumptions Used in Arriving at Fiscal Estimate

The bill provides temporary authority to DNR and DOA for providing principal forgiveness to applicants of the Clean Water Fund Program (CWFP) and the Safe Drinking Water Loan Program (SDWLP). It allows DNR to establish a maximum amount of the total available principal forgiveness that any municipality may receive. The bill also allows DNR and DOA to consider median household income, population and green project components in determining which municipalities may receive State Fiscal Year (SFY) 2011 funding.

#### State Fiscal Effect

##### A. Principal Forgiveness

The bill itself does not increase or decrease the amount of federal funds the State will receive from the Federal Fiscal Year (FFY) 2010 Appropriations Act. However, it does impact the timing of Wisconsin's receipt of those funds. Passage of the principal forgiveness component to the bill during the current legislative session will enable Wisconsin to receive and utilize 100% of its FFY 2010 capitalization grants during SFY 2011. By contrast, if passage is delayed until the next legislative session, Wisconsin will have to apply for approximately 80% (\$63.2 million) rather than 100% (\$78,482,000) of its FFY 2010 capitalization grant dollars, and request the remaining 20% (\$15.3 million) of the grant dollars in Calendar Year (CY) 2011. Finally, if the principal forgiveness component to the bill is never passed, Wisconsin will lose approximately \$15.3 million of its FFY 2010 capitalization grants.

##### B. Green Infrastructure

The FFY 2010 Appropriations Act also requires that 20% of the available capitalization grant funds must be used for green infrastructure, water and energy efficiency and environmentally innovative projects. DNR intends to ensure this percentage is met by writing bypass procedures to use when committing available funds on the SFY 2011 funding list. Without passage of SB 664, which allows DNR to consider additional factors when determining which municipalities will receive funding, Wisconsin may not be able to fund enough "green" projects to fully utilize the approximately \$15.7 million that must be reserved for these projects. This means that Wisconsin could lose up to 20% of the capitalization grants if bypass procedures cannot be used to get to "green" projects.

#### Local Fiscal Effect

The bill itself has no local fiscal impact. However, if SB 664 is not passed this legislative session, there would most likely be some negative local fiscal effects. Uncertainty regarding availability of principal forgiveness would likely cause some municipalities to delay their needed infrastructure projects because they don't feel their projects are affordable without principal forgiveness assistance. Delaying construction typically means the municipality will incur additional costs due to: the problem to be solved becoming worse during the delay; inflation causing construction cost increases; or being charged additional debt service due to extending the term of interim financing for the project.

### Long-Range Fiscal Implications

## Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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<b>Description</b> Financial assistance under the Clean Water Fund Program and the Safe Drinking Water Loan Program			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$	\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$</b>	<b>\$</b>	
<b>B. State Costs by Source of Funds</b>			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$</b>	
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>	Local	
NET CHANGE IN COSTS	\$	\$	
NET CHANGE IN REVENUE	\$	\$	
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DNR/ Joe Polasek (608) 266-2794		Joe Polasek (608) 266-2794	4/13/2010